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CENTRAL INTELLIGENCE AGENCY

REPORT NO. [REDACTED]

INFORMATION REPORT

CD NO. 25X1

COUNTRY Germany (Russian Zone) DATE DISTR. 21 April 1950

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1. Erzgebirge

Notable personnel and administrative changes have occurred since January 1950.

a. The "Wismuth Corporation recalled the "Military Soviets" and transferred them to unidentified posts. They were replaced by Soviet civilians. The guards in the building wore green shoulder straps.

b. Several German employees holding leading or responsible positions in the Siegmar-Schoenau (N 51/K 55) administration were asked to sign new contracts in which they had to agree to assignments to posts outside of Germany on instruction of Soviet agencies. Several employees did not sign the new contract. Some German employees were fired without notice on 1 February 1950.

c. Thirty-eight men, including the interpreters in the registration office, were dismissed at the technical main administration in Siegmar-Schoenau (formerly "Wanderer" Plant area). As far as is known, the following leading men were involved:

Chief engineer Erich Vogt of the Efficiency and Improvement Office;

Dr. Stegmeyer, Technical Manager.

The following reasons for their sudden dismissals were indicated:

(1) Reasons presumed by the dismissed:

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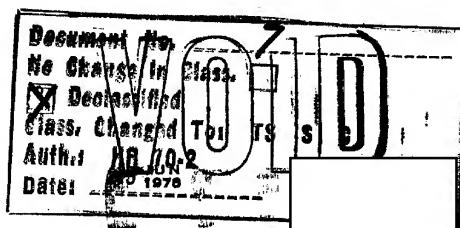
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(a) Refusal to sign agreement to assignment to uranium mining outside of Germany;

(b) contact with acquaintances or relatives in West-Berlin or Western Germany.

(2) Reasons presumed by German technical employees and also by Dr. Stegmeyer:

(a) Saving measures were required due to the unprofitability of the entire enterprise. The radioactive content in the produced ore was allegedly not in proportion to the costs involved.

(b) The uranium content of the ore was said to be considerably smaller than assumed in the first registrations of the Geiger counter. Meanwhile it was allegedly found out that the Geiger counter would also indicate radioactivity when there is only ground water. A concentration could not be realized. For the same reason the Johanngeorgenstadt Dressing Plant presently under construction is now also considered a doubtful undertaking. At present uranium mining in the Erzgebirge (Mts) could not be completely abandoned for reasons of prestige.

2. Harz

According to information of the Special Delegate for Industry - Main Administration Metallurgy - in Sangerhausen, the prospecting activities in the Harz and Mansfeld area also did not have the desired result. At present, the work force of the Wismuth Corporation is insignificant though, until recently, the workers of the Wismuth Corporation have been so numerous that there were not sufficient mine cages to handle the haulage of mine products and the transportation of copper miners. Underground mining or further increase of prospecting activities were not observed.

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